



PRESS RELEASE

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For Information Contact Public Affairs

SANDY RAYNOR

Telephone: (602) 514-7625

Cell: (602) 525-2681

PAYSON MAN FOUND GUILTY OF TAX FRAUD

TUCSON, Ariz. – Paul K. Charlton, United States Attorney for the District of Arizona and Eileen J. O'Connor, Assistant Attorney General for the Tax Division, Department of Justice, announced that Wayne C. Bentson, of Payson, Ariz. was found guilty on Monday, December 13, 2004 of conspiracy to defraud the United States and failing to file tax returns by a federal jury in Tucson, Ariz.

Bentson had been charged with violating Title 18, U.S. Code Section 371 (Conspiracy To Defraud the United States by Impeding and Impairing the Functions of the Internal Revenue Service) and Title 26, U.S. Code Section 7203 (Failure to File Income Tax Returns).

The evidence at trial showed that prior and up to May 27, 1997, Bentson operated businesses known as the Western Information Network and the Bentson Group located in Payson, Ariz. He offered his services to the public as a tax expert and provided his services to clients regarding tax matters before the Internal Revenue Service. During this time Bentson represented to his clients that he was an "expert" on the tax system. He falsely told clients that the Internal Revenue Service and the U.S. income tax system only applied to individuals residing in the Virgin Islands, Guam, and Puerto Rico.

The evidence demonstrated that Bentson also falsely advised his clients that they were not taxpayers, had not earned income, and were not required to pay federal income tax. Several witnesses testified during the trial that Bentson's advice did not solve, but rather compounded, their tax problems resulting in their criminal prosecution. One witness expressly stated that he

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went to prison because of Bentson's advice.

According to the evidence at trial, to conceal his own income from the Internal Revenue Service, Bentson instructed his clients to remit payments for his services in the form of cash or checks made out to third parties so that it could not be tracked. Bentson also maintained a bank account in the Cayman Islands.

The jury found Bentson guilty of conspiring to impede and impair the functions of the Internal Revenue Service and determined that the combined tax loss to the government from Bentson's clients was \$1,129,937. The jury also found that Bentson failed to file his 1995 and 1996 tax returns.

The case was tried before U.S. District Court Judge David C. Bury from December 7 to 13, 2004. Bentson insisted on representing himself during the trial.

A conviction for conspiracy carries a maximum penalty of five years, a \$250,000 fine or both and a conviction for failure to file carries a maximum penalty of up to one year in prison, a \$100,000 fine or both. Bentson was remanded into the custody of the U.S. Marshals. His sentencing is set before Judge Bury on February 28, 2005.

The investigation leading to the guilty verdict was conducted by special agents of IRS Criminal Investigation.

The prosecution was handled by Robert Miskell, Assistant U.S. Attorney, District of Arizona, Tucson, Ariz. and Mark Odulio, Trial Attorney, Department of Justice Tax Division.

CASE NUMBER: CR-02-292-TUC
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